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**FISCAL IMPACT STATEMENT**

**LS 7281**

**BILL NUMBER:** HB 1332

**NOTE PREPARED:** Jan 12, 2013

**BILL AMENDED:**

**SUBJECT:** Worker's Compensation Claims.

**FIRST AUTHOR:** Rep. Mayfield

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill provides that an employer shall not discharge or in any way discriminate against an employee because the employee files a claim for compensation or exercises any right afforded the employee under the Worker's Compensation or Occupational Diseases Law. The bill establishes a process for the Worker's Compensation Board (Board) to investigate and hear complaints alleging violations. It establishes a civil penalty for violations equal to twice the amount of the employee's losses resulting from the violation, including back wages and other losses, plus any investigative costs incurred and documented by the board.

The bill also establishes the Worker's Compensation Claimants' Fund (Fund) to receive, hold, and disburse funds to compensate employees who have been discharged or discriminated against by an employer. The bill requires the Board to adopt rules governing the computation and payment of compensation from the Fund to eligible employees. It also provides that money in the Fund is annually appropriated to the Board to carry out the purposes of the Fund.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** *Fund Administration* - The Worker's Compensation Board is responsible for the administration of the Worker's Compensation Claimants' Fund, including the promulgation of rules governing the computation and payment of compensation from the Fund to eligible employees. The Treasurer of State is responsible for investing the money in the nonreverting Fund that is not needed to meet current obligations. The Fund therefore consists of civil penalties, interest income, appropriations from the General Assembly, and grants, gifts, donations, and money from other sources intended for deposit in the Fund. Any expenses associated with the administration of the Fund are paid from the Fund.

The state, as an employer, would also be subject to the employer prohibitions and penalties established in the bill.

**Explanation of State Revenues:** *Civil Penalties* - Employees may file complaints against employers if they believe that they have been discriminated against or discharged due to the filing of a Worker's Compensation claim. If the Board deems the employer to have violated this provision, the employer will pay a penalty equal to twice the amount of the employee's losses resulting from the violation, including back wages, other losses, and any investigative costs incurred and documented by the Board. Penalties are to be paid into the Fund.

**Explanation of Local Expenditures:** Local units of government, as employers, would also be subject to the employer prohibitions and penalties established in the bill.

**Explanation of Local Revenues:**

**State Agencies Affected:** All; Worker's Compensation Board; Treasurer of State.

**Local Agencies Affected:** Local units and school corporations.

**Information Sources:**

**Fiscal Analyst:** Stephanie Wells, 232-9866.